

MINUTES OF THE REGULAR MEETING

OF THE

COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

October 18, 2005

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, October 18, 2005, at 8:30 a.m. at the Charles Hayes Family Investment Center, 4859 S. Wabash, Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present: Sharon Gist Gilliam
Hallie Amey
Dr. Mildred Harris
Lori Healey
Michael Ivers
Martin Nesbitt
Carlos Ponce
Sandra Young

Absent: Earnest Gates
Mary Wiggins

Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Terry Peterson, Chief Executive Officer, then presented his monthly report. Mr. Peterson's report consisted of the Moving to Work Agreement, Year 7 which was scheduled for approval by the Board. Per Mr. Peterson, over the past five years, hundreds of tours have been conducted of CHA's developments. Just the other day a group from China was shown the old high-rises and the new mixed-income housing. They saw the community anchors like schools and parks, commercial development like the new shopping mall at Cabrini-Green and some of the businesses near Henry Horner. They saw how public housing has become part of Chicago instead of separate from Chicago. According to Mr. Peterson, under CHA's Plan For Transformation, he will continue to challenge CHA and Chicago residents to take responsibility for themselves, their families, their homes and communities. Mr. Peterson concluded his report by thanking everyone involved for their cooperation and support – the chair, the board, the staff, the residents and the community as a whole.

At this point in the meeting Chairperson Gilliam announced the Mayoral appointment of Vice-Chair Healy as Commissioner of the City's Department of Planning and Development. Commissioner Healey was issued a Commendation honoring her for her distinguished services to the CHA Board of Commissioners.

Commissioner Mildred Harris then presented a Motion, which was properly seconded, for the approval of the following resolution commending Lori Healey for her services as CHA Commissioner:

RESOLUTION

- Whereas,** Ms. Lori T. Healey was appointed to the CHA Board of Commissioners by Mayor Richard M. Daley on July 10, 2002 and served as Vice Chairperson of the Board until October 24, 2005, and
- Whereas,** Lori T. Healey, a former Managing Principal for architectural projects at Perkins & Will, member of the Chicagoland Chamber of Commerce, the Chicago Architecture Foundation, the Women's Business Development Center, the Chicago Women in Government Relations, and former First Deputy Commissioner of the City of Chicago's Department of Planning and Development, Deputy Director of the Illinois Department of Commerce and Community Affairs, Executive Director of the Federation of Women Contractors, founding member of the Illinois Women in State Government, member of the Chicago Zoning Reform Commission, and board member of the Illinois Development Finance Authority, is the newly appointed Commissioner of the Chicago Department of Planning and Development, and
- Whereas,** Lori T. Healey has exercised her duties as Vice Chairperson of Chicago Housing Authority Board of Commissioners with great diligence, aplomb and the highest level of integrity and professionalism, and
- Whereas,** the Chicago Housing Authority Board of Commissioners wishes to demonstrate its appreciation and esteem for Lori T. Healey for her service as Commissioner and Vice Chairperson and for her leadership and dedication to the Authority's efforts in transforming public housing, and

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

- THAT,** Lori T. Healey be commended for her diligence, vision and valued dedication to the CHA Board of Commissioners and the residents of the Chicago Housing Authority

GIVEN THIS TWENTY-FOURTH DAY OF OCTOBER, IN THE TWO THOUSAND AND FIFTH YEAR OF OUR LORD.

s/b Sharon Gist Gilliam
Chairperson, Board of Commissioners

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session. Chairperson Gilliam thereupon introduced for approval the Minutes of Executive Session for January 2004 thru September 2005, Minutes for the Regular Board Meeting held on September 20, 2005 and the Special Emergency Meeting held on September 23, 2005. Upon Motion made and properly seconded, the Minutes were unanimously approved and accepted as submitted.

Chairperson Gilliam thereupon introduced the Resolutions discussed in Executive Session. Commissioner Young then presented an Omnibus Motion to approve resolutions for Executive Session Items 1 and 2.

(Executive Session Item 1)

RESOLUTION NO. 2005-CHA-150

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 3, 2005 requesting that the Board of Commissioners approves the Personnel Actions Report for September 2005.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for September 2005.

(Executive Session Item 2)

RESOLUTION NO. 2005-CHA-151

WHEREAS, the Board of Commissioners has reviewed Board Letter dated October 6, 2005 requesting authorization to amend the contract amount with Holland & Knight in connection with the Termination for Convenience of Contract No. 0315 with UBM Contractors, Inc. related to the renovation of the Lowden Homes Family Development.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to amend Contract No. 0318 with Holland & Knight to increase the contract amount in an amount not to exceed an additional \$140,000 in order to pay for legal fees and expenses regarding the Termination for Convenience of Contract No. 0315 with UBM Contractors, Inc. related to the renovation of the Lowden Homes Family Development.

The Omnibus Motion to adopt Executive Session Items 1 and 2 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Dr. Mildred Harris Lori Healey Michael Ivers Martin Nesbitt Carlos Ponce Sandra Young
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Nays:	None
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The Chairperson thereupon declared said Motion carried and said Resolutions adopted.

Commissioner Young, Chairperson of the Tenant Services Committee then presented a report for the Joint Tenant Services and Operations Committee meeting held on Wednesday, October 12, 2005.

Commissioner Young then introduced an Omnibus Motion for the adoption of Resolutions for Items A1 through A3 discussed, voted and recommended for Board approval by the Joint Tenant Services and Operations Committees.

(Item A1)

The Resolution for Item A1 approves the ratification of contract with Blinderman Construction Company for the rehabilitation of various family housing sites at Washing Park Homes. As part of the Capital Improvement Program, the CHA solicited bids to perform rehabilitation work at various sites at Washington Park Homes. Of the seven bids received, Blinderman was the lowest responsive and responsible bidder. This work represents Phase 4 of the ongoing rehabilitation of the Washington Park properties. The scope of the exterior work will include, but not be limited to, the rebuilding, repairs and/or replacement of concrete slabs, masonry walls and new parapets, roofing and drainage, new double hung windows, sheet metal, entry doors, stoops and steps, site walks, landscaping, and parking lots. The scope of interior work will include, but not be limited

to, the complete renovation of all interior dwelling units and common areas. New appliances and plumbing fixtures will be installed. Buildings will receive new electrical systems, through-wall air conditioners in each unit, and new heating systems. Each unit will be wired for multiple telephone service connections and cable television connections. Site work will include site fencing, refuse areas, and new water, electrical and/or gas services. Blinderman was requested to begin work prior to Board approval in order to complete 10 of the 32 units scheduled for completion by the end of 2005.

RESOLUTION NO. 2005-CHA-152

WHEREAS, the Board of Commissioners has reviewed Board Letter dated October 12, 2005 entitled "Ratification of Contract with Blinderman Construction Company, Inc. for the rehabilitation of various Family Housing Sites at Washington Park Homes (IL2-034)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners hereby ratifies the competitive award of a contract with Blinderman Construction Company, Inc. in the amount of \$3,726,788.00 for the rehabilitation of various Family housing sites at Washington Park Homes (IL2-034). The contract will begin upon receipt of the Notice to Proceed. Ten (10) units are to be completed by December 15, 2005, and all remaining work is to be completed by May 15, 2006. This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

(Item A2)

The Authority provides appliances to residents moving from public housing into the private housing market, when those appliances are not provided by the private market landlord. The most current contract to supply, deliver and install appliances expired on September 11, 2005. Accordingly, an Invitation for Bid was advertised in area newspapers and 37 vendors, including 6 MBE's, 2 WBE's and 1 ROB were directly solicited. Upon evaluation of the 4 bids received, the apparent low bidder was deemed non-responsive, and Lake Region Office Supply, Inc. was deemed to be the lowest responsive and responsible bidder. To meet CHA's anticipated needs in Phase IV of the Plan for Transformation, Lake Region Office Supply Inc., was issued a notice to proceed. Accordingly, the resolution for Item A2 ratifies the award of contract to Lake Region Office Supply.

RESOLUTION NO. 2005-CHA-153

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated October 12, 2005 entitled "Ratification of Contract with Lake Region Office Supply, Inc., for the Supply, Delivery and Installation of 145 New Stoves and 145 New Refrigerators for families moving into the Private Market through the Housing Choice Program";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners ratifies the award of a contract to Lake Region Office Supply, Inc., for the supply, delivery and installation of up to 145 new stoves and up to 145 refrigerators in an amount not-to-exceed \$110,860.00, for a twelve month term from the date of the notice to proceed.

(Item A3)

The resolution for Item A3 approves award of contract to Oakk Construction Company to replace the roof at the Charles Hayes Family Investment Center. An IFB was advertised in area newspapers. In addition 8 firms were directly solicited, including 2 MBE's. Of the 4 bids received Oakk Construction was deemed to be the lowest responsive and responsible bidder. Under this contract, the vendor will install sheet membrane roofing and watertight base flashing to the FIC roof.

RESOLUTION NO. 2005-CHA-154

WHEREAS, the Board of Commissioners has reviewed Board Letter dated September 27, 2005 requesting authorization to enter into an Agreement with Oakk Construction Company, Inc. to replace the roof at the Charles Hayes Family Investment Center, 4859 South Wabash.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into an Agreement with Oakk Construction Company, Inc. to replace the roof at the Charles Hayes Family Investment Center, 4859 South Wabash in an amount not-to-exceed \$176,400.00.

The Omnibus Motion to adopt resolutions for Items A1 through A3 was seconded by Commissioner Amey and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Dr. Mildred Harris
	Lori Healey
	Michael Ivers
	Martin Nesbitt
	Carlos Ponce
	Sandra Young

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Joint Tenant Services and Operations Committees report was also accepted in total.

Commissioner Nesbitt, Chairperson of the Finance & Audit Committee then presented the monthly report. Per Commissioner Nesbitt, the Finance & Audit Committee Meeting was held on Wednesday, October 12, 2005 at approximately 2:00 p.m. at the 626 W. Jackson Corporate offices. The Chief Financial Officer and her staff presented the Committee with the Treasury and Cash Flow Report as of September 30, 2005 and a FY2006 Comprehensive Budget Presentation.

Commissioner Nesbitt then introduced an Omnibus Motion for adoption of resolutions for Items B1 through B5, discussed, voted and recommended for Board approval by the Operations Committee.

(Item B1)

On January 6, 2000, HUD approved the Chicago Housing Authority's (CHA) Moving to Work Demonstration Agreement (MTW Agreement) and the Plan for Transformation. The MTW Agreement and its amendments provide the CHA the opportunity to implement innovative strategies for revitalizing housing and assisting residents in taking steps towards economic and social self-sufficiency. These strategies are outlined in the ten-year Plan for Transformation. In accordance with the MTW Agreement, the CHA submits an annual MTW plan (Annual Plan) to HUD no less than 60 days prior to the beginning of the CHA's fiscal year. Each Annual Plan provides an update on the progress of the CHA in implementing the Plan for Transformation and serves as a comprehensive framework of the CHA's goals and activities for the upcoming year. Accordingly, the resolution for Item B1 approves submittal of the Plan for Transformation – Year 7, to HUD. To ensure community and resident input on the FY2006 Annual Plan, the CHA held a public comment period from September 8, 2005 to October 7, 2005. A public hearing was held on September 22, 2005 at the University Center (Lake Room) located at 525 South State Street in Chicago, Illinois. The CHA has reviewed and responded to public comments, which will be included in the FY2006 Annual Plan for submission to HUD.

RESOLUTION NO. 2005-CHA-155

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated September 16, 2005 requesting approval of the FY2006 Moving to Work Annual Plan – Plan for Transformation Year 7 and that the Board of Commissioners Chairperson sign the PHA Certification of Compliance with MTW Plan Requirements and related regulations, attached hereto.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the attached FY2006 Moving to Work Annual Plan – Plan for Transformation Year 7, authorizes the Board of Commissioners Chairperson to sign the PHA Certification of Compliance with MTW Plan Requirements and related regulations, and authorizes the Chief Executive Officer or his designee to make such corrections as he may deem necessary and to submit these documents to the United States Department of Housing and Urban Development.

(Item B2)

The resolution for Item B2 approves the 3rd Quarter Revised 2005 Comprehensive Budget. The FY2005 budgeted expenditures have been revised from \$935,023,314 to \$936,932,915 resulting in a \$1,909,601 increase. The major changes include the following: The General Fund Total increased by \$6,860,632 for a fund total of \$826,064,563. This increase is due to costs associated with accelerated construction activities at various CHA properties and roofing work at the Family Investment Center. Section 8 Non-MTW funds remained unchanged at \$30,230,557. Hope VI Funds decreased by \$5,160,699 for a fund total of \$56,583,777. This decrease is due to a reduction in unit turnover based on revised cash flow projections for FY2005. City/State funds remained unchanged at \$6,038,462. The estimated sum of all revenues for fiscal year 2005 and the amount of the fiscal year 2005 Fund Balance available for appropriation in the fiscal year is equal to the estimated sum of all expenditures to be made or incurred during the fiscal year and the amount of all unpaid liabilities at the beginning of the fiscal year 2005.

RESOLUTION NO. 2005-CHA-156

WHEREAS, the Board of Commissioners has reviewed the Board letter dated September 16, 2005, entitled “Approval of the Revised 2005 Comprehensive Budget”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners, hereby approves the attached budget amendments, “THE FY2005 COMPREHENSIVE BUDGET AMENDMENT #3”, and finds with respect to said Budget:

1. that the proposed expenditures are necessary for the efficient and economical operation of the Chicago Housing Authority for the purpose of serving low-income families;
2. that the financial plan is reasonable in that it indicates funding sources adequate to cover all proposed expenditures, and does not provide for use of Federal funding in excess of that payable under the provisions of the applicable Federal regulations; and
3. that all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contract in accordance with the Moving To Work Demonstration Agreement of the Chicago Housing Authority with the U.S. Department of Housing and Urban Development.

THAT, the Chief Executive Officer and Chief Financial Officer are authorized to execute and forward to the U.S. Department of Housing and Urban Development all necessary budget documents and supporting information when applicable.

(Item B3)

The CHA’s current contracts for dental benefit expire on December 31, 2005 and must be renewed effective January 1, 2006. The national trend for rate increases in employee dental insurance premiums has been projected to be 4.7% for HMO and 7.1% for PPO for the year 2006. The CHA was able to negotiate premium rate increases limited to 3% for the dental HMO and 5% for the PPO with all dental benefits remaining the same as in the current contract year. Accordingly, the resolution for Item B3 approves exercising the one year option of the contract with First Commonwealth.

RESOLUTION NO. 2005-CHA-157

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Memorandum dated October 12, 2005, entitled "Authorization to renew Contracts with First Commonwealth for the CHA's Employee Dental Benefit Plan"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to exercise the one year option of the contract with First Commonwealth for the CHA's Employee Dental Benefit Plan for the period of January 1, 2006 to December 31, 2006 for an amount not-to-exceed \$233,000. The new aggregate not-to-exceed contract amount will be \$483,000.00

(Item B4)

The CHA's current contracts for healthcare benefits with CIGNA HealthCare expire on December 31, 2005 and must be renewed effective January 1, 2006. The national trend for rate increases in employee medical insurance premiums has been projected to be 13% for the year 2006. Despite this trend, the CHA's current population of employees, retirees, and COBRA participants for 2005 generated extremely unfavorable claims experience causing an increase in the rates for 2006 that was 3 times the trend. The CHA was able to significantly reduce the increase in the 2006 premium rate by negotiating certain plan design changes that will affect the employee's out of pocket costs for medical expenses, but not their monthly contributions toward the premiums. Accordingly, the resolution for Item B4 approves exercising the one year option of the contract with CIGNA Healthcare for the CHA's Employee Medical Benefit Plan.

RESOLUTION NO. 2005-CHA-158

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Memorandum dated October 12, 2005, entitled "Authorization to renew Contracts with CIGNA for the CHA's Employee Medical Benefit Plan"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to exercise the one year option of the contract with CIGNA Healthcare for the CHA's Employee Medical Benefit Plan for the period of January 1, 2006 to December 31, 2006 for an amount not-to-exceed \$4,970,000.

(Item B5)

The CHA's current contracts for life and disability insurance with UnumProvident expire on December 31, 2005 and must be renewed effective January 1, 2006. Because the CHA's claims experience for 2005 was considerably high that projected for Life and Short-Term disability, the rates for 2006 were significantly increased. To reduce the STD renewal increase, the CHA opted for a minor plan design change that limits the STD payout from 66 2/3% to 60%. By reducing LTD from a 60% payout to 50% and changing the residual to one year, the CHA was able to eliminate a proposed 50% increase to the in-force rate. Accordingly, the resolution for Item B5 approves exercising the one year option of the contract with UnumProvident.

RESOLUTION NO. 2005-CHA-159

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Memorandum dated October 12, 2005, entitled "Authorization to renew Contracts with UnumProvident for the CHA's Employee Life, Accidental Death and Dismemberment, Short-Term Disability, Long-Term Disability and Retiree Life Benefit Plans"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners of the Chicago Housing Authority authorizes the Chief Executive Officer or his designee to extend the contracts with UnumProvident for the CHA's Employee Life, Accidental Death and Dismemberment, Short-Term Disability, Long-Term Disability and Retiree Life

Benefit Plans for the period of January 1, 2006 to December 31, 2006 for an aggregate amount not-to-exceed \$400,000.

The Omnibus Motion to adopt resolutions for Items B1 through B5 was seconded by Commissioner Young and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Dr. Mildred Harris
Lori Healey
Michael Ivers
Martin Nesbitt
Carlos Ponce
Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance & Audit Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

Sharon Gist Gilliam
Chairperson

Lee Gill, Custodian and
Keeper of Records